

***TESTIMONY SUBMITTED TO THE BANKS COMMITTEE
March 7, 2013***

*Commissioner Howard F. Pitkin
Department of Banking*

***SB 826, AN ACT CONCERNING THE STRENGTHENING OF CONSUMER
CREDIT LICENSE PROTECTIONS,
SB 827, AN ACT CONCERNING PUBLIC DEPOSITS,
SB 911, AN ACT CONCERNING MONEY TRANSMISSION, MORTGAGE
SERVICES AND CONSUMER COLLECTION AGENCIES,
HB 6339, AN ACT CONCERNING BANKS AND THE ECONOMIC
DEVELOPMENT OF LOAN PRODUCTION OFFICES,
HB 6340, AN ACT CONCERNING THE CONNECTICUT
UNIFORM SECURITIES ACT***

Good afternoon Chairman Leone, Chairman Tong and members of the committee. My name is Howard F. Pitkin and I am the Commissioner of the Connecticut Department of Banking. I am here to testify in favor of five pieces of legislation.

The first bill I will speak on is ***SB 826, AN ACT CONCERNING THE STRENGTHENING OF CONSUMER CREDIT LICENSE PROTECTIONS***. The proposal authorizes the banking commissioner to use the Nationwide Mortgage Licensing System and Registry for licensing or registration of any person engaged in a financial services industry within the jurisdiction of the commissioner and to make other technical and conforming changes as described above.

SB 827, AN ACT CONCERNING PUBLIC DEPOSITS, is a bill with many authors. A task force composed of the Connecticut Bankers Association, the Connecticut Credit Union League, the Office of the State Treasurer, the Office of Policy and Management and others worked tirelessly over the summer to draft this bill. The proposed legislation amends the public deposit laws based on the recommendations of the task force, and will afford greater protection to state and municipal deposits.

This proposal significantly improves Connecticut's existing laws concerning the protection of public deposits. It increases the protection afforded to public deposits under current law and it does so in a manner that does not unduly burden financially sound institutions. It also simplifies and streamlines the provisions regarding eligible collateral and eliminates riskier forms of collateral. Finally, the proposal gives the agency authority to increase collateral requirements in the event of an increased risk to public deposits before the factors that would automatically trigger an increase in collateral come into effect.

SB 911, AN ACT CONCERNING MONEY TRANSMISSION, MORTGAGE SERVICES AND CONSUMER COLLECTION AGENCIES makes numerous changes to the consumer credit statutes in an effort to better protect the consumer. Most notably, it creates a new regulatory scheme to be administered by the Banking Commissioner governing persons that act as mortgage servicers. It also enhances regulatory requirements of money transmission licensees and makes other conforming changes consistent with industry standards.

HB 6339, AN ACT CONCERNING BANKS AND THE ECONOMIC DEVELOPMENT OF LOAN PRODUCTION OFFICES addresses the enforcement authority of the Commissioner related to licensee and clarifies oversight of loan production offices outside the state. The bill also makes certain technical corrections.

The final proposal is ***HB 6340, AN ACT CONCERNING THE CONNECTICUT UNIFORM SECURITIES ACT***. The purpose of this bill is to update the Connecticut Uniform Securities Act and incorporate certain provisions of the Revised Uniform Securities Act. The bill is technical and codifies existing practices.

Thank you for your attention to these matters and I will answer any questions you may have on these or any other bills.